

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320
(6) 739-2501



January 29, 1990
CMSP Letter 90-2

TO: CMSP Welfare Directors

SUBJECT: Hunt v. Kizer

On December 15, 1989, the U. S. District Court issued a revised preliminary injunction in the Case of Hunt v. Kizer requiring that the Department of Health Services no longer impose any time limitations on medical expenses which Medi-Cal applicants or beneficiaries may use to meet their Share of Cost (SOC). Though not a party to this lawsuit, the County Medical Services Program (CMSP) as customary, has adopted the mandated Medi-Cal SOC changes for ease of administration. Counties must follow the procedures detailed below.

Revised CMSP Share of Cost Procedures.

Any CMSP applicant must have any unpaid medical expenses evaluated for use in reducing a current, or future, month's SOC. This means applicants for, or recipients of, CMSP having unpaid medical bills regardless of when they were incurred, must be allowed to use these bills toward reducing their SOC in current and, if necessary, future months. A person is considered to be legally liable for the debt if:

1. the debt is less than four years old; or
2. there is a judgment; or
3. there is a contract extending the statute of limitations; or
4. any payment has been made on the debt within the last four years; or
5. there is an agreement to pay on the debt; or
6. there is other reasonable verification showing the person is still responsible for the debt.

Until CMSP eligibility manual revisions are adopted, eligibility workers should question bills older than four years and allow beneficiaries the opportunity to show that they are still liable for these bills.

At intake the applicant must be informed of his/her right to use any old unpaid medical expenses to reduce his/her current and, if necessary, future month (s) SOC, regardless of when they were incurred. Persons currently on CMSP with a SOC may use their old unpaid medical expenses to meet a current or future months SOC so long as the entire bill has not previously been used to meet a SOC.

Required Documentation

Eligibility workers must review the billing statements for old medical expenses from the medical providers to ensure that the bill is unaltered, original (prepared by the provider), and that the required information is provided. If any of the items listed below are missing, the CMSP applicant must contact the provider to obtain the information. The eligibility worker must explain what items are necessary in order to allow the bill to be used. Bills with any of the following required items missing are not acceptable.

1. a current billing date (billing statement dated within 60 days of the date it is presented to the eligibility worker);
2. the provider's name and address;
3. the name of the person receiving the service;
4. the type of service;
5. the date of service;
6. the amount owed in the month for which it is being used to meet the SOC;
- 7 the provider federal tax identification number or provider license number or Medi-Cal provider identification number.

Evaluation of Documentation/SOC Adjustment

All medical bills submitted by the applicant/beneficiary must be evaluated. If the required items are included, the county must note on the original bill "accepted - Hunt v. Kizer," copy the bill, place the original in the case folder, and return the copy to the applicant/beneficiary. The county must then complete an MC 176M noting in the underpayment adjustment box (column III, line 15) "OME" (Old Medical Expenses) and the amount of the adjustment.

Cases that will have a SOC changed for more than the current month must be flagged (either manually or on MEDS (REDETERM-MONTH) so the counties will be alerted when it is necessary to readjust the reduced SOC. The share of cost must be recomputed prior to the 20th day of the last month in which the old medical

expenses have been used to reduce the SOC. A ten day Notice of Action advising the beneficiary of the return to his/her previous SOC must be sent in the month prior to the change.

If the required items are not included, the county must note on the original bill denied - denial code (1-9) Hunt v. Kizer and return it to the applicant/beneficiary. The denial codes to be used are:

1. Billing date not current or illegible.
2. Provider's name or address missing or illegible.
3. Name of the person receiving the service is missing or illegible.
4. Type of service not provided or illegible.
5. Date of service not provided or illegible.
6. Amount owed not provided or illegible.
7. Missing or illegible provider's federal tax ID #, license # or Medi-Cal ID #. (only one needed)
8. Failure to provide original bill.
9. Medical expenses were previously used to meet a SOC.

If you have any questions regarding this letter, please contact Albert Cooper of my staff at (916) 739-3141.

Sincerely,



Michael L. Rodrian, Chief
County Medical Services Section

cc: CMSP Contact Persons

File: c:\al\lehuntkz.agc